

BEFORE THE
Federal Communications Commission

WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
The Establishment of Commission)
Rules concerning the)
Administration of Accounting)
Authorities in the Maritime)
Mobile and the Maritime)
Mobile-Satellite Radio Services)
Except for Distress and Safety)
Communications)

MD Docket No. 93-297

To the Commission:

**COMMENTS
OF
EXXON COMMUNICATIONS COMPANY**

Exxon Communications Company, by its attorneys, hereby respectfully submits its Comments in response to the Notice of Proposed Rule Making ("NPRM") adopted by the Federal Communications Commission ("FCC" or "Commission") on November 19, 1993.^{1/}

I. STATEMENT OF INTEREST

1. Exxon Communications Company ("Exxon") is a wholly-owned subsidiary of Exxon Corporation. Exxon is the licensed operator of 15 U.S. flag vessels operating

^{1/} Notice of Proposed Rule Making, FCC 93-502 (released December 17, 1993).

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primarily in U.S. coastal waters and ten domestic and international land-based INMARSAT facilities. Exxon is an authorized accounting authority in the maritime mobile and the maritime mobile-satellite radio services.^{2/} The NPRM proposes to regulate maritime accounting authorities. Accordingly, Exxon will be affected by the outcome of this proceeding. Exxon appreciates the opportunity to comment on the NPRM.

II. DISCUSSION

2. Exxon limits its comments to three elements of the NPRM: (1) the proposed application procedures for accounting authorities; (2) the proposed reporting requirements for accounting authorities; and (3) the suggestion that accounting authorities may be obligated to act as common carriers.

^{2/} In 1984 Exxon was assigned the Accounting Authority Identification Code US10.

A. Current Accounting Authorities Should Be Exempted From the Proposed Application Procedures or, in the Alternative, Be Subject to Streamlined Application Procedures.

3. The NPRM proposes to require that all entities intending to settle accounts of U.S. licensed vessels obtain prior Commission authorization to do so. Existing accounting authorities such as Exxon would retain "grandfathered" status, but would not be exempt from the new application procedures. The proposed procedures require, among other things, that applicants provide evidence of financial responsibility including a formal financial statement.

4. Exxon believes that the formal application procedures proposed by the Commission are unnecessary for grandfathered accounting authorities. These entities have already demonstrated their qualifications.^{3/} In Exxon's case, it has served as an accounting authority for ten years without complaint. The proposed requirements are burdensome and redundant for currently authorized accounting authorities. Such authorities should be exempted from the

^{3/} The Commission has recognized that it "has had few problems with accounting authorities that have not been resolved satisfactorily." NPRM at paragraph 14.

proposed application requirements. Should the Commission choose not to exempt current accounting authorities from the proposed requirements, it should adopt streamlined application procedures for such entities. In particular, a formal financial showing should not be required.

**B. Inventory Reports Should Be Required
Only Upon a Change in Inventory.**

5. The NPRM proposes that accounting authorities provide the Commission with a detailed report of additions, deletions, or modifications to their inventory of serviced vessels each month. Under the proposed rules, such reports would be required to be submitted even where there have been no additions, modifications or deletions to vessel inventories since the previous report. Exxon serves as an accounting authority only for its own vessels and the inventory of these vessel remains relatively constant. Over the course of a typical year, Exxon will generally have few, if any, changes to its inventory. A monthly report requirement therefore serves no useful purpose and is unduly burdensome. If the Commission merely requires reports in response to changes in inventory, its database will remain as current as if monthly reports were to be required. More importantly, by modifying its proposed rule, the Commission

will prevent the unnecessary expenditure of both the Commission's and the accounting authorities' resources, as well as unnecessary paperwork.

**C. The Annual Statistical Report Should
Apply Only to Accounting Authorities
Settling Accounts for Unaffiliated
Entities.**

6. The NPRM proposes that accounting authorities file an Annual Statistical Report of Settlement Operations. The report seeks information concerning settlement processing time and a detailed summary of all settlements from the previous year. While this information may be useful to the Commission with respect to most accounting authorities, the information has little relevance for an accounting authority such as Exxon that processes settlements for its own vessels only. In view of the limited usefulness of the information, and the burdensome nature of the reporting requirement, the Commission should require that this reporting requirement apply only to accounting authorities settling accounts for unaffiliated entities. At a minimum, entities which process settlements for their own vessels only should be exempted from responding to questions 2, 3 and 4 which deal with settlement processing time.

**D. Accounting Authorities Should Not Be
Required to Act as a Common Carrier.**

7. Paragraph 18 of the NPRM states that "[a]pplicants must be willing and able to accept clients at a reasonable charge." This statement may be referring only to the accounting authority's obligation to charge reasonable rates. However, to the extent that the Commission is proposing that accounting authorities be required to serve as common carriers offering service indiscriminately to the public, Exxon opposes adoption of any such proposal.^{4/} As noted above, Exxon serves as an accounting authority for its own vessels only. Exxon has undertaken this responsibility as a matter of administrative convenience. It is not a revenue generating endeavor. Were the Commission to require that Exxon hold itself out to the general public indiscriminately, it would no longer be in a position to serve as an accounting authority.

**WHEREFORE, THE PREMISES CONSIDERED, Exxon
Communications Company respectfully requests that the**

^{4/} Exxon notes that no such proposal is contained in the proposed rules appended to the NPRM.

Federal Communications Commission take action in a manner
consistent with the views expressed herein.

Respectfully submitted,

EXXON COMMUNICATIONS COMPANY

By: Michael R. Bennet

Wayne V. Black
Michael R. Bennet

Keller and Heckman
1001 G Street, N.W.
Suite 500 West
Washington, D.C. 20001
(202) 434-4100

Its Attorneys

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